

REQUEST FOR PROPOSALS

PROJECT NO. CD19-02

2019 HOUSING NEEDS ASSESSMENT AND 5-YEAR AFFORDABLE HOUSING ACTION PLAN

Issued June 4, 2019

Proposals due by July 17, 2019 at 5:00 p.m.

DELIVER TO:
Karen Osburn
Assistant City Manager/
Community Development Director
102 Roadrunner Drive
Sedona, AZ 86336
928-203-5067

REQUEST FOR PROPOSALS

CITY OF SEDONA
Sedona, Arizona 86336

PROJECT # CD19-02

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PART I

REQUEST FOR PROPOSALS (RFP)

PURPOSE

The City of Sedona, AZ is soliciting proposals from qualified firms to conduct a comprehensive Housing Needs Assessment and develop a 5-year Housing Action Plan. The Housing Needs Assessment will provide an in-depth analysis of the current as well as the future needs for affordable, workforce and other housing options primarily of current and future community households, reported incrementally in relation to the Area Median Income (AMI). A Housing Action Plan will identify 1, 3, and 5-year quantifiable recommendations to bridge those identified gaps. The consultant will analyze current housing conditions, identify housing needs and identify evidenced-based and creative strategies across the housing continuum both regulatory and non-regulatory that look to address the current, short-term and long-term needs of the community. Given that the options may be vast, needs varied, and resources limited, priorities will need to be identified and recommendations will need to be made accordingly to address priorities. This analysis will provide a rational basis for resource allocation deciding when, why, and how the City should participate in creating, supporting and/or funding affordable and other housing developments.

BACKGROUND

The City of Sedona, AZ serves a population of approximately 10,000 full-time residents, and 3 million visitors each year. Renowned for its majestic red rocks, Sedona has become an international destination for outdoor adventure, arts and culture, and health and wellness. While tourism is vital to the economic sustainability of the region, the rapid growth in visitation has led to quality of life concerns, including the lack of availability of affordable housing for locals. While the robust tourist economy necessitates a sizeable workforce, those are primarily lower paying jobs. The full-time resident population is made up of primarily retirees, with a median age of 57.

Sedona's cost of living index for 2018 was over 50% higher than the US average, primarily due to the cost of housing. At the end of the first quarter of 2019 the median single-family home cost in Sedona was \$562,500, more than double the Arizona median cost. With a local median area income for a four-person household of approximately \$56,000 annually, homes at these prices are unattainable for the majority of the local workforce. Renting does not appear to be a more viable option. While we lack comprehensive data on rental pricing, review of rental listings show very little product available (28 total units citywide ranging from \$1,550 to \$4,500/month), let alone at or below \$1,200 per month which is what that same family could afford if they spent 35% of their gross income on housing assuming modest utilities expenses. The lack of availability of rental housing has been exacerbated by the passage of state legislation preempting the City from prohibiting short term vacation rentals. Since the new law was enacted in 2017, Sedona has seen a proliferation of short-term rental activity in and around the community, driving inventory down and prices up.

High land prices and construction costs make the creation of diverse or affordable housing units increasingly difficult. Recent surveys of local employers found availability of qualified

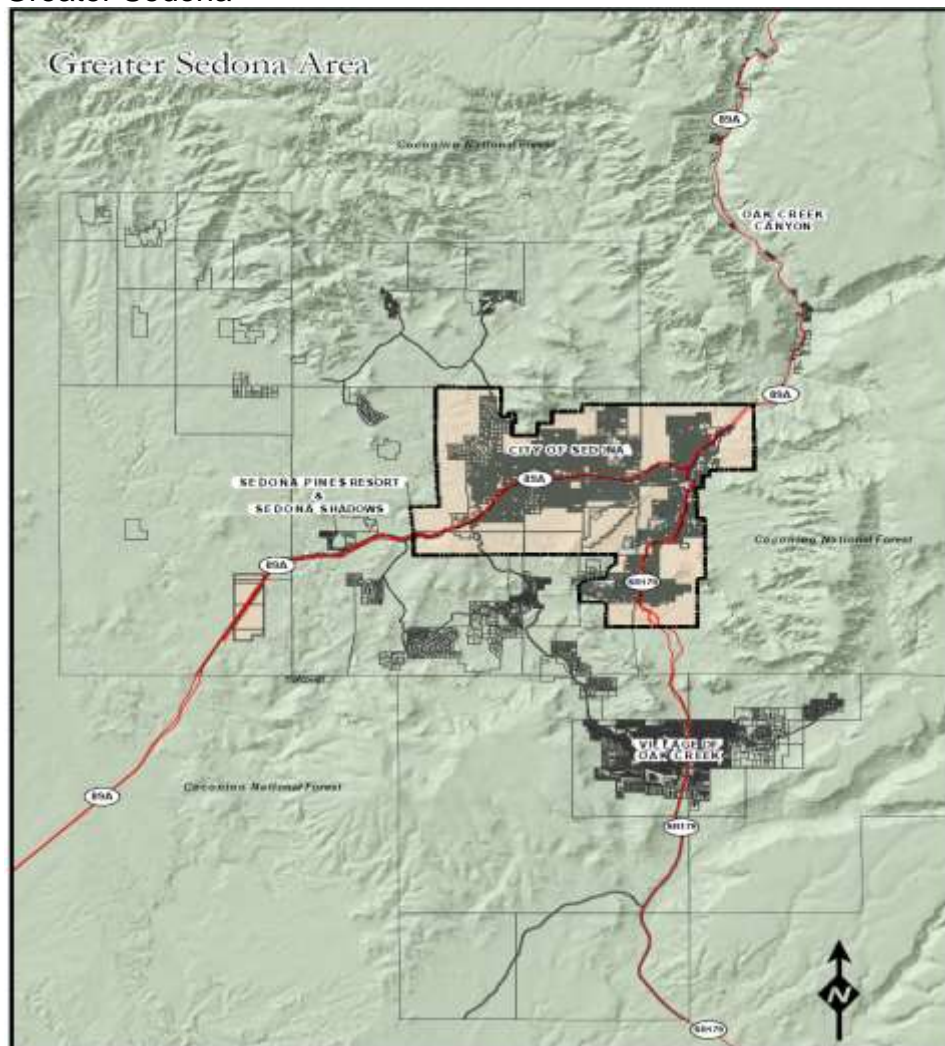
workforce as the largest obstacle to business success and availability of affordable housing as the biggest impediment to attracting that workforce.

For the last several years the Sedona City Council has identified the need for workforce housing as one of its highest policy priorities. Sedona's Community Plan identifies housing diversity as one of six major outcomes to achieve by 2020. That outcome specifically calls for housing types that, "provide options for all ages and income levels by using innovative public policies and programs and nurturing partnerships with private developers."

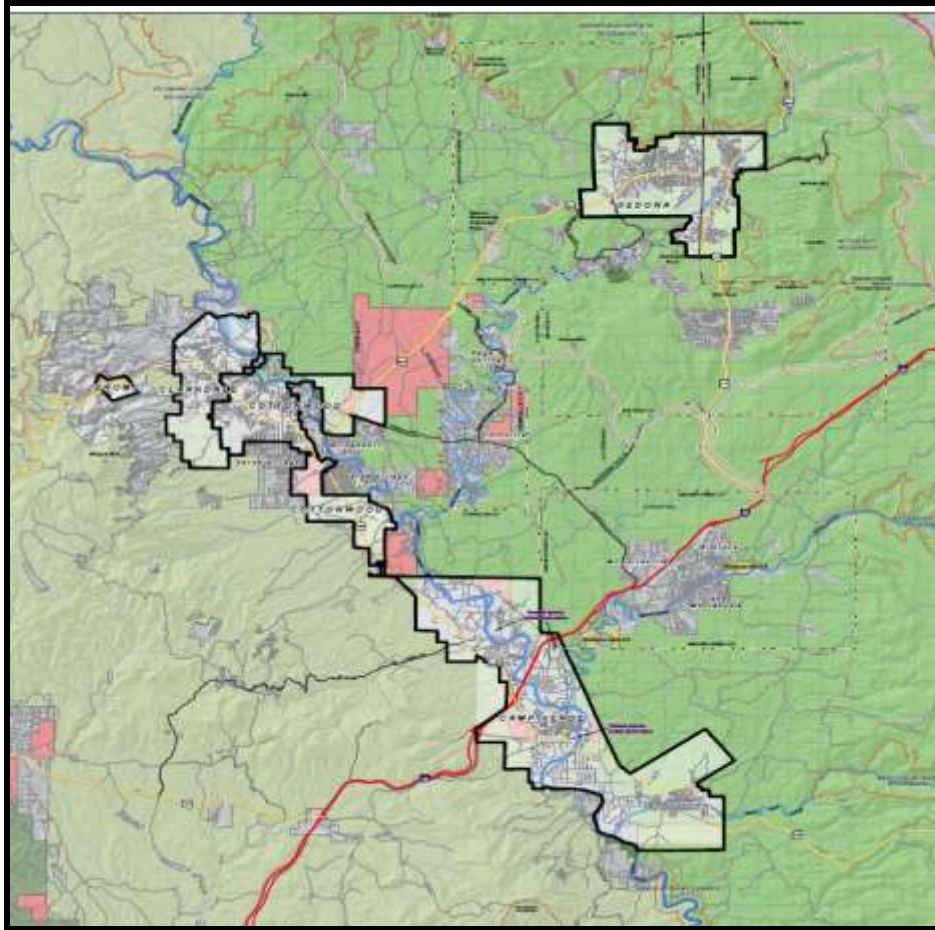
STUDY AREA

The primary study area encompasses the City of Sedona, but will likely need to include at least a cursory analysis of the regional housing market in recognition of the regional laborscape. This would likely include neighboring communities of Village of Oak Creek, City of Cottonwood, Towns of Clarkdale and Camp Verde, and surrounding unincorporated areas as many people commute from these areas to the City of Sedona for work.

Greater Sedona



Sedona and Verde Valley



SCOPE OF SERVICES

This Scope of Services was prepared to provide an overview of needs and guidance to consultants. This list is not intended to be a comprehensive itemization of plan components or areas needed to conduct a comprehensive assessment and develop recommendations. The City is relying on the consultant's professional expertise in analyzing any and all pertinent factors and is open to additional strategies and approaches to meet the overall goals of identifying affordable housing needs for this area, and developing housing solutions. The consultant may also propose collecting additional information which he/she deems relevant in defining the local housing marketing and local housing need. Certain of the following scope items may only require a cursory review during this process in order to effectively draw conclusions and inform recommendations while others may require more extensive analysis during this study process. The successful consultant will work with the City to refine the scope and develop the most appropriate program of work to achieve desired outcomes.

Objectives

1. To define the gap between the current housing options and the number and type of housing units needed by households in the overall community, understand

needs, prioritize areas of need.

2. Develop recommendations to address the gap between the necessary number of housing units to provide for the local workforce and households below an income level able to compete in the open real estate market for housing.
3. Recommend strategies to guide future decisions regarding removal of regulatory barriers, resource allocation and local policy and programmatic changes, implementation of which will result in bridging current and future housing gaps identified in the Needs Assessment.

Consultant shall prepare a demographic profile of the City of Sedona to include the following:

Housing costs and demand data will be prepared for surrounding communities to the extent necessary to draw conclusions sufficient to inform the Affordable Housing Action Plan.

Population Demographics –

- Income, including source of households, with a breakdown of renters and owners earning < 30% of the AMI (extremely low income), 31% -50% of the AMI (low income) 50% to 80% of the AMI (moderate income), 81% to 120% of AMI (middle income) and 120% to 200% of AMI;
- Percentage of household income spent on housing costs per aforementioned income band;
- Number of households with children, number of adults, seniors and those with a disability;
- Comparison of age with income, with a breakdown of renters and owners
- Number of single, two-income and more income households. This would include the average number of jobs held in each household and/or by adults.

Employment and Transportation -

- Analysis of jobs and wages – types of jobs and typical wages, as well as incomes necessary to afford market-rate housing at different levels;
- Determine employee needs, including seasonal workers;
- Percent of those who commute from outside of city for employment, destination of employment, miles traveled and income of out-of-community households;
- Survey of local employees to determine impact of housing cost and availability on long-term employment sustainability and residency;
-

Housing Costs & Estimated Demand

- Existing market supply for market rate and affordable housing including general trends in rents by bedroom configuration and location;
- Current rental and vacancy rates by number of bedrooms and market location

- Planned rental projects in the area and significant rental/ownership developments in the pipeline;
- Trends in sales prices by unit type, location and age of property;
- Includes a projection of current and projected demand for rental and ownership housing in the study area;
- Estimate potential job creation/growth;
- An analysis of gaps in the existing housing supply and the existing and projected quantifiable demand for specific housing types (e.g. units of rental housing, entry-level for sale housing, etc.); based on income levels, age categories, employment types, etc.
- Preferences households may have when seeking housing, including location considerations, amenities and size/price of unit;
- An estimate of households who would like to purchase a home, the amount available for a down payment and factors that have inhibited them in seeking a home to buy;
- Specific information about very-low, low, moderate and middle-income households, including a description of the household type(s), amount they pay for housing (as percentage of income), length of time in the area and employment patterns;
- Identify key population and housing demographic data to be measured including current and future unmet housing needs;
- Impact of seasonal housing on the business community and the community at large. Include how many units are needed, future trends type and price.

Housing Issues

- An estimate of the number of households burdened by high housing costs, including those who are burdened and earn very low, low, moderate and middle incomes;
- An estimate of sub-standard dwelling units in need of rehabilitation/replacement;
- Estimated impact of seasonal workers on limited housing stock/availability;
- Determine if the short-term vacation rental market is impacting the availability of long-term housing and to what extent;
- Number of housing units needed, both rental and for sale, to fill the current and future needs based on bedroom size, price point, corresponding income levels and age categories.

Solutions, Recommendations, and Implementation Strategies

- Quantifiable number of units needed both rental and ownership housing stock to fill unmet needs, by bedroom size and price point;
- Operating subsidy required to create housing for income groups earning 0 to 30% of AMI, 31% to 50% of AMI, 51% to 80% of AMI, 81% to 120% of AMI, and 121% of

AMI

- Options to address the housing needs in the study area;
- Identify existing barriers (regulatory and otherwise) to production of affordable housing opportunities;
- Recommend policy changes and updates to promote affordable housing opportunities;
- Identify potential solutions for policy makers, non-profit organizations and the private sector to consider addressing identified housing needs and problems;
- Identify potential developers, both for and non-profit who have the capacity to develop affordable housing;
- Review the City's zoning code and future land use map and make recommendations for updates to support the development of future affordable housing identifying areas where opportunities may exist to develop new housing;
- Suggest and prioritize strategies, including potential partnerships with local employers, neighboring jurisdictions, non-profits, and/or private developers, for the creation and implementation of housing programs and development of properties to meet the gaps identified in the study;
- Identify potential revenue funding sources for operational subsidies for housing programs and revenue stream for the production of units to meet area's unmet housing needs;
- Identify incentives and alternatives to promote creation of affordable housing;
- Identify any additional resources, legal or otherwise, necessary to implement recommendations;
- Identify potential opportunities to rehabilitate or repurpose existing buildings to address housing needs and demand.

Scope of Work is a general list of objectives anticipated to be required of the awarded respondent. The City of Sedona requests that the consultant add to, subtract from, and further define and develop this scope as necessary to achieve the overall objective.

RESOURCE DOCUMENTS

The following documents provide data that may be useful to prospective proposers. They can be accessed [here](#).

2018 Yavapai College Sedona Community Profile
2018 Yavapai College Sedona Economic Overview
2018 Chamber of Commerce Affordable Housing Survey
Developer Incentives Guidelines for Affordable Housing (DIGAH)
2017 HUD Market Study (for Cottonwood multifamily project)
Housing Market Statistics Report (March 2004 to 2019)
2017 City of Sedona Multifamily Housing Report
2018 Yavapai College Environmental Scan

Those respondents which are determined to be best qualified to undertake the services required under this Request for Proposals may be invited to make a presentation to the City. Further information may be provided to the prospective respondents after the initial selection.

SUBMITTAL REQUIREMENTS:

Seven (7) copies of the respondent's proposal, and one (1) electronic copy, will be received by the City until 5:00 p.m., PST on, **July 17 2019**, at the office of the City Manager Attn: Karen Osburn; City of Sedona; 102 Roadrunner Drive; Sedona, Arizona 86336. The outside of the envelope must bear the notation:

PROJECT #CD19-02
2019 HOUSING NEEDS ASSESSMENT AND 5-YEAR AFFORDABLE HOUSING
ACTION PLAN
July 17, 2019, 5:00 P.M.

The Proposal must contain, but is not limited to the following information in the format outlined below:

1. **Letter of Introduction.** Describe your firm's areas of expertise and other information that helps to characterize the firm. Describe your overall understanding of the project. Provide the name, title, address, and telephone number of the primary contact. The letter must be signed by the firm's authorized representative.
2. **Project Manager's Experience.** Identify the project manager who will be responsible for this project. List the *project manager's* relevant experience and similar work including references.
3. **Personnel.** If there is a project team, include name and office location of key personnel. Describe key personnel's proposed roles and responsibilities on this project, and relevant related experience. List key projects the project team has worked on in the past 5 years that are of similar type and magnitude to this RFP.
4. **Project Approach / Scope.** Develop and describe the tasks that must be accomplished to complete the project and a narrative description of how the firm proposes to execute the tasks. Describe how the firm will be able to collect or verify field data in a timely fashion. Describe particular challenges which you foresee this project presenting and your approach for addressing these challenges. Describe your approach to public involvement and innovation.
5. **Examples of Similar Work.** Include a list of similar projects listing the Owner, the Owner's contact person, address and phone number.
6. **Resumes of Key Staff.**
7. **Proposed budget.** A total, not to exceed, cost estimate for the project must be submitted. The cost shall be based on the number of hours of work provided and

“out of pocket expenses” (e.g. travel and lodging) and shall not exceed the maximum cost proposed unless an amendment to the contract is negotiated and approved by the proper authority of the City. Such estimate shall provide the following information:

- The number of hours to be provided by each person assigned to the proposed work by the firm’s organizational levels.
- The proposed hourly rate for billing shall be included for each person.
- The number of hours of work, cost and percent of total cost shall be itemized for each major work element of the proposal.
- An itemized estimate of “out-of-pocket expenses” must be included.
- Method of billing must be disclosed.
- An acknowledgement that any task/work request considered to be outside of the agreed upon scope and contracted duties that will incur fees, must be communicated by the consultant and agreed to by the City prior to the performance of that task/work request.

8. Proposed work schedule.

9. **Other.** Relevant information the consultant wishes to include that is not listed above.

CITY’S REPRESENTATIVE

Karen Osburn, Assistant City Manager/Director of Community Development
102 Roadrunner Dr.
Sedona, AZ 86336
Office: 928-203-5067
KOsburn@SedonaAZ.gov

INSTRUCTIONS TO RESPONDENTS

1. INSTRUCTIONS TO RESPONDENTS

There are 18 total pages in this Request for Proposals. It is the respondent’s responsibility to ensure that all pages are included. If any pages are missing, immediately request a copy of the missing page(s) by e-mailing your request to Karen Osburn, Assistant City Manager at Kosburn@SedonaAZ.gov , RFP Project #CD 19-02.

Any and all explanations desired by a respondent regarding the meaning or interpretation of this Request for Proposals or any part thereof may be requested in writing via email to Karen Osburn, Assistant City Manager at Kosburn@SedonaAZ.gov.

2. LATE PROPOSALS AND MODIFICATIONS

Proposals and modifications thereof received after the exact time of closing of which is **5:00 p.m., July 17, 2019** will not be considered.

3. WITHDRAWAL OF PROPOSAL

Unless otherwise specified, Proposals may be withdrawn by written request, received from respondent prior to the time set for closing.

4. INTENT OF THE CITY

The objective of this Request for Proposals is to provide sufficient information to enable qualified respondents to submit written Proposals. This Request for Proposals is not a contractual offer or commitment to purchase services. Contents of this Request for Proposals and respondent's Proposal will be used for establishment of final contractual obligation. It is to be understood that this Request for Proposals and the respondent's submittal may be attached or included by reference in an agreement between the City and successful respondent. Proposals shall be valid for a period of not less than 60 days.

5. BASIS FOR SELECTION

This Request for Proposals will be evaluated utilizing the criteria listed below. The apparent ability of the firm to be independent and objective in performing the requested work will also be considered. History from the current and previous projects and customers of the respondent may be used to evaluate some of the criteria.

Relevant Experience & Project Manager Experience

- What experience with similar projects does the team have?
- What projects has the project manager led?
- Does the consultant have a good record of developing similar projects that have been implemented, and how closely does the outcome match their recommendations?
- What performance data is available to demonstrate project success?

Project Approach / Scope

- Are the minimum elements addressed?
- Do additional tasks suggested by the consultant tend to improve the quality of the end product?
- How well does the proposed scope assure accomplishment of an effective parking management program?
- How well is the project approach explained and justified?

Public Relations & Public Outreach Experience

- How much experience does the consultant/team show in working with public committees?

Cost

- The cost will be weighed in relation to other proposals received and shall be evaluated relative to the number of hours of professional consulting services to be received by the City and the overall level of expertise of the specific firm's personnel proposed to do the work for the City.

Qualified Personnel

- How many members of the team have worked together on previous similar projects?
- What local knowledge is evident in the team make-up?
- Does the team meet the objectives of the project?
- Are the primary consultant and sub-consultant complimentary in skill sets?
- How well does the team understand the concept/goal of this project?

6. REQUIRED INSURANCE

Insurance requirements are listed in Section 10 of the attached sample Professional Services Agreement.

7. SELECTION

Selected firms submitting proposals will be invited to give an oral presentation explaining their proposal. It is anticipated that interviews will be for the top two to three consultants, if necessary. A selection team will provide a recommendation to City Council. The City Council will consider approval of a contract with the selected consultant.

The City reserves the right to accept or reject any and all responses, in part or in whole, and to accept responses which in its sole discretion and opinion appear to be responsive, responsible, and in the best interests of the City. The City further reserves the right to waive any formalities or informalities or to amend the schedule as necessary.

Part II

SAMPLE

CONTRACT FOR PROFESSIONAL SERVICES FOR THE CITY OF SEDONA

This contract is made and entered into on this ____ day of _____, 20____, by and between the City of Sedona ("CITY") and _____ "CONSULTANT").

1. A. The CONSULTANT agrees to perform certain consulting and coordinating services for CITY, as set forth in **Exhibit "A"** (attached).

 B. CITY agrees to pay the CONSULTANT as compensation for services on a time and materials basis in accordance with the process and fee schedule set forth in Exhibit "A," not to exceed a total amount of \$_____. If deemed necessary by CITY, the CONSULTANT and CITY will confer to further define specific tasks in the scope of work and estimate the amount of time to be spent on those tasks.

 C. Any work that is different from or in addition to the work specified shall constitute a change in the scope of work. No such change, including any additional compensation, shall be effective or paid unless authorized by written amendment executed by the City Manager and by CONSULTANT. If CONSULTANT proceeds without such written authorization, then CONSULTANT shall be deemed to have waived any claims of unjust enrichment, quantum meruit or implied contract. Except as expressly provided herein, no agent, employee or representative of CITY shall have the authority to enter into any changes or modifications, either directly or implied by a course of action, relating to the terms and scope of this contract.
2. All correspondence, reports and other documentation of CONSULTANT'S work shall be considered confidential information and will be distributed only to those persons, organizations or agencies specifically designated by CITY or its authorized representative, or as specifically required for completion of CONSULTANT'S task.
3. Except as otherwise set forth in this contract, billing and payment will be in accordance with the conditions set forth in Exhibit "A." Invoices are due and payable upon receipt and are delinquent only thirty (30) days after the date received by CITY. Each invoice shall set forth a general description of the work performed, in accordance with the scope of work, for the hours billed. CONSULTANT may complete such work as it deems necessary, after termination, except that such work will be at its own expense and there shall be no "termination charge" whatsoever to CITY.
4. Any fee required by any governmental agency in order for CONSULTANT to accomplish a task hereunder shall be provided by CITY and is not included in the hourly fee. However, in that CONSULTANT is doing business within the Sedona City limits, CONSULTANT will be required to obtain an annual Sedona Business License for every year that the CONSULTANT does business with Sedona or within the City limits.
5. In the event any term or provision of this contract is held to be illegal or in conflict with any law of the United States or Arizona or any local law, the validity of the remaining provisions

shall not be affected, and this contract shall be construed and enforced as if it did not contain the particular term or provision.

6. **OWNERSHIP OF DOCUMENTS.** All documents, including, but not limited to, correspondence, estimates, notes, recommendations, analyses, reports and studies that are prepared in the performance of this contract are to be, and shall remain, the property of CITY and the Arizona Department of Transportation and are to be delivered to CITY before the final payment is made to the CONSULTANT.
7. **PROFESSIONAL RESPONSIBILITY.** CONSULTANT hereby warrants that it is qualified to assume the responsibilities and render the services described herein and has all requisite corporate authority and professional licenses in good standing, required by law.
8. **COMPLIANCE WITH LAW.** It is contemplated that the work and services to be performed by CONSULTANT hereunder shall be done in compliance with applicable laws, ordinances, rules and regulations that are in effect on the date of this contract. Any subsequent changes in applicable laws, ordinances, rules or regulations that necessitate additional work shall constitute a change in the scope of work.
9. **INDEMNIFICATION.** To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless CITY, and each council member, officer, employee or agent thereof (CITY and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness or intentional misconduct of the CONSULTANT, its officers, employees, agents or any tier of subconsultant in connection with CONSULTANT's work or services in the performance of this contract. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this paragraph.
10. **INSURANCE.**
 - A. The CONSULTANT agrees to procure and maintain in force during the term of this contract, at its own cost, the following coverages:
 1. Worker's Compensation Insurance as required by the Labor Code of the State of Arizona and Employers' Liability Insurance.
 2. Commercial General or Business Liability Insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.
 3. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CONSULTANT'S owned, hired or non-owned automobiles assigned to or used in performance of the services. In the event that the CONSULTANT'S insurance does not cover non-owned automobiles, the requirements of this paragraph shall be met by each employee of the CONSULTANT who uses an automobile in providing services to Sedona under this contract.

4. Professional Liability coverage with minimum limits of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) each claim and ONE MILLION DOLLARS (\$1,000,000.00) general aggregate. If approved by CITY, evidence of qualified self-insured status may be substituted for one or more of the foregoing insurance coverages.
- B. CONSULTANT shall procure and maintain the minimum insurance coverages listed herein. Such coverages shall be procured and maintained with forms and insurers acceptable to CITY, acceptable of which shall not be unreasonably withheld. All coverages shall be continuously maintained to cover all liability, claims, demands and other obligations assumed by the CONSULTANT pursuant this contract. In the case of any claims made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
- C. A Certificate of Insurance shall be completed by the CONSULTANT'S insurance agent(s) as evidence that policies providing the required coverages, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by CITY. The Certificate shall identify this contract and shall provide that the coverages afforded under the policies shall not be canceled, terminated or limits reduced until at least 30 days prior written notice has been given to CITY. The City shall be named as an additional insured. The completed Certificate of Insurance shall be sent to:

City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336
ATTN: City Clerk

- D. Failure on the part of the CONSULTANT to procure or maintain policies providing the required coverages, conditions and minimum limits shall constitute a Material Breach of Contract upon which CITY may immediately terminate this contract or, at its discretion, CITY may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by CITY shall be repaid by the CONSULTANT to CITY upon demand, or CITY may offset the cost of the premiums against any monies due to CONSULTANT from CITY.
- E. CITY reserves the right to request and receive a certified copy of any policy and any pertinent endorsement thereto. CONSULTANT agrees to execute any and all documents necessary to allow Sedona access to any and all insurance policies and endorsements pertaining to this particular job.
11. NON-ASSIGNABILITY. Neither this contract, nor any of the rights or obligations of the parties hereto, shall be assigned by either party without the written consent of the other.
12. TERMINATION. This contract shall terminate at such time as the work in the scope of work is completed or upon CITY providing CONSULTANT with seven (7) days advance written notice, whichever occurs first. In the event the contract is terminated by CITY's issuance of said written notice of intent to terminate, CITY shall pay CONSULTANT for all work previously authorized and performed prior to the date of termination. If, however, CONSULTANT has substantially or materially breached the standards and terms of this contract, CITY shall have any remedy or right of set-off available at law and equity. No other

payments, including any payment for lost profit or business opportunity, and no penalty shall be owed by CITY to CONSULTANT in the event of termination upon notice.

13. VENUE. This contract shall be governed by the laws of the State of Arizona, and any legal action concerning the provisions hereof shall be brought in the County of Coconino, State of Arizona.
14. INDEPENDENT CONSULTANT. CONSULTANT is an independent consultant. Notwithstanding any provision appearing in this contract, and any exhibits and/or addenda, all personnel assigned by CONSULTANT to perform work under the terms of this contract shall be, and remain at all times, employees or agents of CONSULTANT for all purposes. CONSULTANT shall make no representation that it is the employee of CITY for any purpose.
15. NO WAIVER. Delays in enforcement or the waiver of any one or more defaults or breaches of this contract by City shall not constitute a waiver of any of the other terms or obligations of this contract.
16. ENTIRE AGREEMENT. This contract, together with the attached Exhibit "A," Request for Proposals published in connection herewith, Bid Schedule, Additive Bid Items, if any, General Conditions, Special Conditions, Addenda, if any, Certificates of Insurance, and Change Orders, if any, are by this reference made a part of this Contract to the same extent as if set forth herein in full.
17. NON-DISCRIMINATION. CONSULTANT, its agents, employees, consultants and subconsultants shall not discriminate in any employment policy or practice. "Discrimination" means to exclude individuals from an opportunity or participation in any activity or to accord different or unequal treatment in the context of a similar situation to similarly situated individuals because of race, color, gender, gender identity, sexual orientation, religion, national origin or ancestry, marital status, familial status, age, disability, or veteran status. (Ordinance 2015-10 (2015)).
18. COMPLIANCE WITH FEDERAL AND STATE LAWS:

CONSULTANT understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: CONSULTANT must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited," and A.R.S. § 34-302, as amended, "Residence Requirements for Employees."

 - A. Under the provisions of A.R.S. § 41-4401, CONSULTANT hereby warrants to CITY that CONSULTANT and each of its subconsultants will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Consultant Immigration Warranty").
 - B. A breach of the Consultant Immigration Warranty shall constitute a material breach of this contract and shall subject CONSULTANT to penalties up to and including termination of this contract at the sole discretion of CITY.
 - C. CITY retains the legal right to inspect the papers of any consultant or subconsultant

employee who works on this contract to ensure that the consultant or subconsultant is complying with the Consultant Immigration Warranty. CONSULTANT agrees to assist CITY in regard to any such inspections.

- D. CITY may, at its sole discretion, conduct random verification of the employment records of CONSULTANT and any subconsultants to ensure compliance with Consultant's Immigration Warranty. CONSULTANT agrees to assist CITY in regard to any random verifications performed.
 - E. Neither CONSULTANT nor any subconsultant shall be deemed to have materially breached the Consultant Immigration Warranty if CONSULTANT or any subconsultant establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.
 - F. The provisions of this article must be included in any contract that CONSULTANT enters into with any and all of its subconsultants who provide services under this contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a consultant or subconsultant. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.
 - G. CONSULTANT shall execute the required documentation and affidavit of lawful presence as set forth in ARS 1-502/8 USC § 1621 (**Exhibit B**).
19. DISPUTE RESOLUTION. The parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this contract. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, upon which demand the matter shall be submitted to a mediation firm mutually selected by the parties. The mediator shall hear the matter and provide an informal opinion and advise within twenty (20) days following written demand for mediation. Said informal opinion and advice shall not be binding on the parties, but shall be intended to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute has not been resolved, the matter may then be submitted to the judicial system.
20. DELAYS. CONSULTANT shall not be responsible for delays which are due to causes beyond CONSULTANT'S reasonable control. In case of any such delay, any deadline established as part of the scope of work shall be extended accordingly.
21. ATTORNEYS' FEES AND COSTS. Should any legal action, including arbitration, be necessary to enforce any term of provision of this contract or to collect any portion of the amount payable hereunder, then all expenses of such legal action or collection, including witness fees, costs of the proceedings and attorneys' fees, shall be awarded to the substantially prevailing party.
22. CONFLICT OF INTEREST. From the date of this contract through the termination of its service to Sedona, CONSULTANT shall not accept, negotiate or enter into any contract or agreements for services with any other party that may **create a substantial interest, or the appearance of a substantial interest** in conflict with the timely performance of the work **or ultimate outcome** of this contract and/or adversely impact the quality of the work under this contract without the express approval of the City Manager and the City Attorney. Whether

such approval is granted shall be in the sole discretion of the City Manager and the City Attorney. The parties hereto acknowledge that this Contract is subject to cancellation pursuant to the provisions of ARS § 38-511.

23. NOTICE. Any notice or communication between CONSULTANT and CITY that may be required, or that may be given, under the terms of this contract shall be in writing, and shall be deemed to have been sufficiently given when directly presented or sent pre-paid, first class United States Mail, addressed as follows:

CITY: City of Sedona
Attn: City Manager
102 Roadrunner Drive
Sedona, AZ 86336

CONSULTANT: _____

24. NOTICE TO PROCEED. Unless otherwise noted by CITY, acceptance of this contract is official notice to proceed with the work.

CITY OF SEDONA, ARIZONA

CONSULTANT

City Manager

By: _____
Title: _____

ATTEST:

City Clerk

I hereby affirm that I am authorized to enter
into and sign this contract on behalf of
CONSULTANT

APPROVED AS TO LEGAL FORM:

City Attorney